Order

June 25, 2014

Robert P. Young, Jr.,
Chief Justice

Michael F. Cavanagh
Stephen J. Markman
Mary Beth Kelly
Brian K. Zahra
Bridget M. McCormack
David F. Viviano,
Justices

ADM File No. 2014-10

Administrative Order No. 2014-13

Automated Income Tax Garnishment
Pilot Project in 36th District Court

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On order of the Court, the 36th District Court (court) and the State Court Administrative Office (SCAO) developed this pilot project to automate the business process for issuing writs for income tax garnishment.

Effective immediately, the 36th District Court is authorized to operate a pilot program to process requests for writs of state income tax garnishment through a web-based system referred to as GarnIT. This administrative order governs the procedures associated with the transmission of requests and writs through GarnIT. This order also includes rules designed to address issues unique to the implementation of this program. Participation in this pilot program is voluntary for 2014.

The 36th District Court and SCAO will track the effectiveness of this pilot program and report the results to the Supreme Court after January 1, 2015.

1.   Purpose and Construction. The purpose of the pilot is to determine whether it is feasible to automate the processing of income tax garnishments in the 36th District Court as a way to reduce overhead costs, streamline data storage requirements, and improve user satisfaction. Except for matters related to transmission of requests and writs for state income tax garnishments through GarnIT during the pilot, the Michigan Court Rules govern all other postjudgment proceedings concerning the cases involved in the pilot.

2.   Definitions.

   (a)   "ACH" means Automated Clearing House, an electronic network for financial transactions in the United States.

   (b)   "Batch" means an electronic submission that contains one or more case records.

(c)   "CEPAS" means Centralized Electronic Payment Authorization System.

(d)   "Clerk" means the clerk of the court for the 36th District Court.

(e)   "Court" means the 36th District Court.

(f)   "Department" means the Department of Treasury.

(g)   "Electronic submission" means the submission of one or more requests which results in the recording of data into the 36th District Court's case management system.

(h)   "File format" means the format for submitting income tax garnishment transactions to the Department of Treasury for processing.

(i)   "GarnIT" means the web-based system for processing requests and writs for income tax garnishments.

(j)   "MCR" means the Michigan Court Rules.

(k)   "Pilot" means the court innovation initiative tested in the 36th District Court and the Michigan Department of Treasury in conjunction with IBM and under the supervision of the SCAO. This web-based application facilitates the electronic processing of income tax garnishments in the 36th District Court. The pilot program is expected to launch October 1, 2014 and will continue through November 30, 2014. If it is successful, the pilot will be discontinued and the program will be evaluated for statewide use.

(l)   "Transaction" means the request and writ for income tax garnishment electronically processed pursuant to the pilot.

3.   Participation in GarnIT. Use of GarnIT for filers who submit requests to the court for 2014 income tax garnishments begins on October 1, 2014, and shall be voluntary during the pilot.

4.   Electronic Submission and Acceptance of Submission with the Court; Signature; Statutory Service and Process Fees.

(a)   Plaintiffs who choose to use GarnIT will submit requests under the rules in this administrative order and agree to comply with GarnIT's technical requirements. GarnIT will reject requests that do not meet GarnIT's

validation requirements and that do not conform to the technical requirements of GarnIT.

(b) Except when maintenance of the case management system or GarnIT is being performed, requests may be submitted to the court and will be processed 24-hours per day, seven days a week through GarnIT.

(c) A request submitted under these rules shall be deemed to have been signed by the plaintiff and filed with the clerk of the court. Electronic signatures shall use the following form: /s/ *John L. Smith*.

(d) By using GarnIT, the plaintiff acknowledges compliance with the rules of this administrative order and acceptance of the business process specified in this administrative order.

(e) The statutory service fee for issuing a writ (hereinafter referred to as filing fee) shall be paid electronically at the same time the writ is issued and in the same amount as required by statute.

(f) The court shall pay the fees associated with the use of credit cards or the court shall pay the cost of establishing Automated Clearing House (ACH) for payment of the filing fees for issuing the writs.

(g) Each plaintiff shall provide one email address with the functionality required by the GarnIT pilot.

5. Format and Form of Electronic Submission.

(a) A plaintiff may file only one request per case per defendant.

(b) A plaintiff may submit multiple transactions within a single batch, subject to subrule 5(a).

(c) All submissions shall comply with the technical requirements of GarnIT and MCR 1.109.

(d) The court will maintain a digital image of each order issued, in accordance with subrule (11).

6. Validation of Requests; Notice of Writs and Rejected Requests; Payment and Receipt.

(a)   GarnIT will compare data from submitted requests against data in the Court's case management system and will validate:

    (1)   party information,

    (2)   case number,

    (3)   existence of an unsatisfied judgment on file,

    (4)   that the judgment has not expired,

    (5)   that the 21-day time frame before enforcing judgment has passed, and

    (6)   there is no bankruptcy case pending.

(b)   If a request does not meet the validation criteria, GarnIT will display an error message to the filer indicating writ field validation failure. Instructions to the plaintiff for handling validation failure will be available through GarnIT. The instructions will include what steps, if any, the plaintiff can take to correct discrepancies in data between the court's case management system and the official court documents upon which the plaintiff is basing the request.

(c)   Filing fees under MCL 600.2529(h) will be collected through CEPAS on each validated request.

(d)   GarnIT will notify the plaintiff regarding the submitted requests including payment receipt numbers and a link for printing the writs for purposes of service on the department and the defendant in accordance with Rule 8.

7.   Format and Generation of Writs; Payment Processing.

(a)   For each validated request, GarnIT will produce an electronic equivalent of SCAO-approved form MC 52, Request and Writ for Garnishment (Income Tax Refund/Credit), which constitutes issuance of a signed writ.

(b)   All writs issued will be recorded in data files in the format the department requires for use by the plaintiff.

(c)   GarnIT will update the Court's case management system as to each writ issued.

(d)   GarnIT will update the Court's case management system as to fees collected.

8.   Service on the Department and the Defendant. The plaintiff shall print all issued writs and serve them on the department and the defendant in accordance with existing court rules and department requirements.

9.   Correcting Data in the Court's Case Management System. If the plaintiff receives an error message as indicated in Rule 6b, the following procedure shall be followed by the plaintiff and the court:

(a)   If the error is the result of incorrect data provided by the plaintiff, the plaintiff may correct the data and resubmit the request through GarnIT in accordance with the instructions and requirements of GarnIT.

(b)   If the plaintiff believes the error is the result of incorrect data in the court's case management system, the plaintiff shall submit an email request to correct the data, along with supporting documentation, in accordance with the instructions and requirements of GarnIT. Within 24 hours after receipt of a request to correct data and supporting documentation, the court shall handle the request. If the court determines that the discrepancy is the result of clerical error by the court, the court will correct the data in the case management system and send an email response to the plaintiff indicating what action was taken and informing plaintiff that the request can be resubmitted in GarnIT. If the court determines that the discrepancy is not the result of clerical error by the court, the court will send an email response to the plaintiff indicating that fact.

(c)   If the plaintiff wants to request a change in case data that is not the result of data entry error, plaintiff shall file a motion with the court under MCR 2.119.

10.   Technical Malfunctions. The GarnIT website will provide instructions regarding what action to take if the plaintiff experiences a technical malfunction with use of GarnIT or has other technical difficulties using GarnIT that cannot be resolved by the plaintiff.

11.   Official Court Record; Record Retention.

(a)   For purposes of this pilot program, the electronic data and the electronic equivalent of SCAO-approved form MC 52, Request and Writ for Garnishment (Income Tax Refund/Credit), produced by and through the GarnIT transaction and subsequently maintained in the case management

system, constitutes the official court record and meets the record retention and public access requirements of the court rules and General Records Retention and Disposal Schedule #16 – Michigan Trial Courts.

(b)   A request and writ processed by GarnIT can be generated or printed on demand by the clerk. The request and writ maintained by the court will not contain the social security numbers or federal identification numbers of the parties.

(c)   If a request is made for a certified copy of a request and writ processed by GarnIT, the clerk shall print the document and certify it in compliance with the Michigan Trial Court Case File Management Standards.

12.   Privacy Considerations. The plaintiff shall provide in each submission to GarnIT, the social security numbers and federal identification numbers of the parties for use in the data file and writs issued for service on the department. The social security number or federal identification number will not be retained by GarnIT or the Court after requests are validated and writs are issued and printed in accordance with Rules 6 and 7.

13.   Expiration. Unless otherwise directed by the Michigan Supreme Court, this pilot shall continue until November 30, 2014.

I, Larry S. Royster, Clerk of the Michigan Supreme Court, certify that the foregoing is a true and complete copy of the order entered at the direction of the Court.

June 25, 2014

Clerk